

Adopted	Rejected
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COMMITTEE REPORT

YES:	20
NO:	2

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1356, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation and to make an appropriation.
- 4 Page 3, between lines 29 and 30, begin a new paragraph and insert:
- 5 "SECTION 4. IC 6-1.1-17-5, AS AMENDED BY P.L.178-2001,
- 6 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 UPON PASSAGE]: Sec. 5. (a) The officers of political subdivisions
- 8 shall meet each year to fix the budget, tax rate, and tax levy of their
- 9 respective subdivisions for the ensuing budget year as follows:
- 10 (1) The fiscal body of a consolidated city and county, not later
- 11 than the last meeting of the fiscal body in September.
- 12 (2) The fiscal body of a second class city, not later than
- 13 September 30.
- 14 (3) The board of school trustees of a school corporation that is
- 15 located in a city having a population of more than ~~ninety thousand~~
- 16 ~~(90,000) but less than one hundred ten thousand (110,000); one~~

hundred five thousand (105,000) but less than one hundred twenty thousand (120,000), not later than:

(A) the time required in ~~section 5.6~~ **section 5.6(b)** of this chapter; **or**

(B) September 20 if a resolution adopted under section 5.6(d) of this chapter is in effect.

(4) The proper officers of all other political subdivisions, not later than September 20.

Except in a consolidated city and county and in a second class city, the public hearing required by section 3 of this chapter must be completed at least ten (10) days before the proper officers of the political subdivision meet to fix the budget, tax rate, and tax levy. In a consolidated city and county and in a second class city, that public hearing, by any committee or by the entire fiscal body, may be held at any time after introduction of the budget.

(b) Ten (10) or more taxpayers may object to a budget, tax rate, or tax levy of a political subdivision fixed under subsection (a) by filing an objection petition with the proper officers of the political subdivision not more than seven (7) days after the hearing. The objection petition must specifically identify the provisions of the budget, tax rate, and tax levy to which the taxpayers object.

(c) If a petition is filed under subsection (b), the fiscal body of the political subdivision shall adopt with its budget a finding concerning the objections in the petition and any testimony presented at the adoption hearing.

(d) This subsection does not apply to a school corporation. Each year at least two (2) days before the first meeting of the county board of tax adjustment held under IC 6-1.1-29-4, a political subdivision shall file with the county auditor:

(1) a statement of the tax rate and levy fixed by the political subdivision for the ensuing budget year;

(2) two (2) copies of the budget adopted by the political subdivision for the ensuing budget year; and

(3) two (2) copies of any findings adopted under subsection (c).

Each year the county auditor shall present these items to the county board of tax adjustment at the board's first meeting.

(e) In a consolidated city and county and in a second class city, the clerk of the fiscal body shall, notwithstanding subsection (d), file the

1 adopted budget and tax ordinances with the county board of tax
 2 adjustment within two (2) days after the ordinances are signed by the
 3 executive, or within two (2) days after action is taken by the fiscal body
 4 to override a veto of the ordinances, whichever is later.

5 SECTION 5. IC 6-1.1-17-5.6, AS ADDED BY P.L.178-2001,
 6 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 UPON PASSAGE]: Sec. 5.6. (a) This section applies only to a school
 8 corporation that is located in a city having a population of more than
 9 ~~ninety thousand (90,000)~~ but less than one hundred ten thousand
 10 ~~(110,000)~~; **one hundred five thousand (105,000) but less than one**
 11 **hundred twenty thousand (120,000).**

12 (b) Before February 1 of each year, the officers of the school
 13 corporation shall meet to fix the budget for the school corporation for
 14 the ensuing budget year, with notice given by the same officers.
 15 **However, if a resolution adopted under subsection (d) is in effect,**
 16 **the officers shall meet to fix the budget for the ensuing budget year**
 17 **before September 20.**

18 (c) Each year, at least two (2) days before the first meeting of the
 19 county board of tax adjustment held under IC 6-1.1-29-4, the school
 20 corporation shall file with the county auditor:

- 21 (1) a statement of the tax rate and tax levy fixed by the school
- 22 corporation for the ensuing budget year;
- 23 (2) two (2) copies of the budget adopted by the school corporation
- 24 for the ensuing budget year; and
- 25 (3) any written notification from the ~~state board of tax~~
- 26 ~~commissioners~~ **department of local government finance** under
- 27 section 16(i) of this chapter that specifies a proposed revision,
- 28 reduction, or increase in the budget adopted by the school
- 29 corporation for the ensuing budget year.

30 Each year the county auditor shall present these items to the county
 31 board of tax adjustment at the board's first meeting.

32 **(d) The governing body of the school corporation may adopt a**
 33 **resolution to cease using a school year budget year and return to**
 34 **using a calendar year budget year. A resolution adopted under this**
 35 **subsection must be adopted after January 1 and before July 1. The**
 36 **school corporation's initial calendar year budget year following the**
 37 **adoption of a resolution under this subsection begins on January**
 38 **1 of the year following the year the resolution is adopted. The first**

six (6) months of the initial calendar year budget for the school corporation must be consistent with the last six (6) months of the final school year budget fixed by the department of local government finance before the adoption of a resolution under this subsection.

(e) A resolution adopted under subsection (d) may be rescinded by a subsequent resolution adopted by the governing body. If the governing body of the school corporation rescinds a resolution adopted under subsection (d) and returns to a school year budget year, the school corporation's initial school year budget year begins on July 1 following the adoption of the rescinding resolution and ends on June 30 of the following year. The first six (6) months of the initial school year budget for the school corporation must be consistent with the last six (6) months of the last calendar year budget fixed by the department of local government finance before the adoption of a rescinding resolution under this subsection."

Page 11, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 13. IC 6-8.1-9-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2003]: **Sec. 14. (a) The department shall establish, administer, and make available a centralized debt collection program for use by state agencies to collect delinquent accounts, charges, fees, loans, taxes, or other indebtedness owed to or being collected by state agencies. The department's collection facilities shall be available for use by other state agencies only when resources are available to the department.**

(b) The commissioner shall prescribe the appropriate form and manner in which collection information is to be submitted to the department.

(c) The debt must be delinquent and not subject to litigation, claim, appeal, or review pursuant to the appropriate remedies of a state agency.

(d) The department has the authority to collect for the state or claimant agency (as defined in IC 6-8.1-9.5-1) delinquent accounts, charges, fees, loans, taxes, or other indebtedness due the state or claimant agency that has a formal agreement with the department for central debt collection.

(e) The formal agreement shall provide that the information

1 provided to the department be sufficient to establish the obligation
2 in court and to render the agreement as a legal judgment on behalf
3 of the state. After transferring a file for collection to the
4 department for collection, the claimant agency shall terminate all
5 collection procedures and be available to provide assistance to the
6 department. Upon receipt of a file for collection, the department
7 shall comply with all applicable state and federal laws governing
8 collection of the debt.

9 (f) The department may use a claimant agency's statutory
10 authority to collect the claimant agency's delinquent accounts,
11 charges, fees, loans, taxes, or other indebtedness owed to the
12 claimant agency.

13 (g) The department's right to credit against taxes due shall not
14 be impaired by any right granted the department or other state
15 agency under this section.

16 (h) The department of revenue may charge the claimant agency
17 a fee not to exceed fifteen percent (15%) of any funds the
18 department collects for a claimant agency. Notwithstanding any
19 law concerning delinquent accounts, charges, fees, loans, taxes, or
20 other indebtedness, the fifteen percent (15%) fee shall be added to
21 the amount due to the state or claimant agency when the collection
22 is made.

23 (i) Fees collected under subsection (h) shall be retained by the
24 department after the debt is collected for the claimant agency and
25 are appropriated to the department for use by the department in
26 administering this section.

27 (j) The department shall transfer any funds collected from a
28 debtor to the claimant agency within thirty (30) days after the end
29 of the month in which the funds were collected.

30 (k) When a claimant agency requests collection by the
31 department, the claimant agency shall provide the department
32 with:

- 33 (1) the full name;
- 34 (2) the Social Security number or federal identification
35 number, or both;
- 36 (3) the last known mailing address; and
- 37 (4) additional information that the department may request;
38 concerning the debtor.

(l) The department shall establish a minimum amount that the department will attempt to collect for the claimant agency.

(m) The commissioner shall report, not later than March 1 for the previous calendar year, to the governor, the budget director, and the legislative council concerning the implementation of the centralized debt collection program, the number of debts, the dollar amounts of debts collected, and an estimate of the future costs and benefits that may be associated with the collection program.

SECTION 14. IC 21-2-11.5-3.1, AS AMENDED BY P.L.178-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) This subsection does not apply to a school corporation located in a city having a population of more than ~~ninety thousand (90,000)~~ but less than one hundred ten thousand ~~(110,000)~~: **one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000)**, unless a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect. Before a governing body may collect property taxes for the school bus replacement fund in a particular calendar year, the governing body must, after January 1 and not later than September 20 of the immediately preceding year:

(1) conduct a public hearing on; and

(2) pass a resolution to adopt;

a plan under this section.

(b) This subsection applies only to a school corporation located in a city having a population of more than ~~ninety thousand (90,000)~~ but less than one hundred ten thousand ~~(110,000)~~: **one hundred five thousand (105,000) but less than one hundred twenty thousand (120,000)**. However, this subsection does not apply to the school corporation if a resolution adopted under IC 6-1.1-17-5.6(d) by the governing body of the school corporation is in effect. Before the governing body of the school corporation may collect property taxes for the school transportation fund's school bus replacement account in a particular calendar year, the governing body must, after January 1 and on or before February 1 of the immediately preceding year:

(1) conduct a public hearing on; and

(2) pass a resolution to adopt;

a plan under this section.

(c) The ~~state board of tax commissioners~~ **department of local government finance** shall prescribe the format of the plan. A plan must apply to at least the ten (10) budget years immediately following the year the plan is adopted. A plan must at least include the following:

(1) An estimate for each year to which it applies of the nature and amount of proposed expenditures from the transportation fund's school bus replacement fund.

(2) A presumption that the minimum useful life of a school bus is not less than ten (10) years.

(3) An identification of:

(A) the source of all revenue to be dedicated to the proposed expenditures in the upcoming budget year; and

(B) the amount of property taxes to be collected in that year and the unexpended balance to be retained in the fund for expenditures proposed for a later year.

(4) If the school corporation is seeking to:

(A) acquire; or

(B) contract for transportation services that will provide; additional school buses or school buses with a larger seating capacity as compared to the number and type of school buses from the prior school year, evidence of a demand for increased transportation services within the school corporation. Clause (B) does not apply if contracted transportation services are not paid from the school bus replacement fund.

(5) If the school corporation is seeking to:

(A) replace an existing school bus earlier than ten (10) years after the existing school bus was originally acquired; or

(B) require a contractor to replace a school bus; evidence that the need exists for the replacement of the school bus. Clause (B) does not apply if contracted transportation services are not paid from the school bus replacement fund.

(6) Evidence that the school corporation that seeks to acquire additional school buses under this section is acquiring or contracting for the school buses only for the purposes specified in subdivision (4) or for replacement purposes.

(d) After reviewing the plan, the ~~state board of tax commissioners~~ **department of local government finance** shall certify its approval, disapproval, or modification of the plan to the governing body and the

auditor of the county. The ~~state board of tax commissioners~~
department of local government finance may seek the
 recommendation of the school property tax control board with respect
 to this determination. The action of the ~~state board of tax~~
~~commissioners~~ **department of local government finance** with respect
 to the plan is final.

(e) The ~~state board of tax commissioners~~ **department of local**
government finance may approve appropriations from the
 transportation fund's school bus replacement fund only if the
 appropriations conform to a plan that has been adopted in compliance
 with this section.

(f) A governing body may amend a plan adopted under this section.
 When an amendment to a plan is required, the governing body must
 declare the nature of and the need for the amendment and must show
 cause as to why the original plan no longer meets the transportation
 needs of the school corporation. The governing body must then conduct
 a public hearing on and pass a resolution to adopt the amendment to the
 plan. The plan, as proposed to be amended, must comply with the
 requirements for a plan under subsection (c). This amendment to the
 plan is not subject to the deadlines for adoption described in subsection
 (a) or (b). However, the amendment to the plan must be submitted to
 the ~~state board of tax commissioners~~ **department of local government**
finance for its consideration and is subject to approval, disapproval, or
 modification in accordance with the procedures for adopting a plan set
 forth in this section.

(g) If a public hearing is scheduled under this section, the governing
 body shall publish a notice of the public hearing and the proposed plan
 or amendment to the plan in accordance with IC 5-3-1-2(b).

SECTION 15. IC 21-2-15-5, AS AMENDED BY P.L.178-2001,
 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 UPON PASSAGE]: Sec. 5. (a) This subsection does not apply to a
 school corporation that is located in a city having a population of more
 than ~~ninety thousand (90,000)~~ but less than ~~one hundred ten thousand~~
~~(110,000)~~; **one hundred five thousand (105,000) but less than one**
hundred twenty thousand (120,000), unless a resolution adopted
under IC 6-1.1-17-5.6(d) by the governing body of the school
corporation is in effect. Before a governing body may collect property
 taxes for a capital projects fund in a particular year, the governing body

1 must, after January 1 and not later than September 20 of the
 2 immediately preceding year, hold a public hearing on a proposed plan
 3 and then pass a resolution to adopt a plan.

4 (b) This subsection applies only to a school corporation that is
 5 located in a city having a population of more than ~~ninety thousand~~
 6 ~~(90,000) but less than one hundred ten thousand (110,000): one~~
 7 **hundred five thousand (105,000) but less than one hundred twenty**
 8 **thousand (120,000). However, this subsection does not apply to the**
 9 **school corporation if a resolution adopted under IC 6-1.1-17-5.6(d)**
 10 **by the governing body of the school corporation is in effect.** Before
 11 the governing body of the school corporation may collect property
 12 taxes for a capital projects fund in a particular year, the governing body
 13 must, after January 1 and on or before February 1 of the immediately
 14 preceding year, hold a public hearing on a proposed plan and then pass
 15 a resolution to adopt a plan.

16 (c) The ~~state board of tax commissioners~~ **department of local**
 17 **government finance** shall prescribe the format of the plan. A plan
 18 must apply to at least the three (3) years immediately following the year
 19 the plan is adopted. A plan must estimate for each year to which it
 20 applies the nature and amount of proposed expenditures from the
 21 capital projects fund. A plan must estimate:

- 22 (1) the source of all revenue to be dedicated to the proposed
- 23 expenditures in the upcoming calendar year; and
- 24 (2) the amount of property taxes to be collected in that year and
- 25 retained in the fund for expenditures proposed for a later year.

26 (d) If a hearing is scheduled under subsection (a) or (b), the
 27 governing body shall publish the proposed plan and a notice of the
 28 hearing in accordance with IC 5-3-1-2(b).

29 SECTION 16. IC 36-7-26-1, AS AMENDED BY P.L.291-2001,
 30 SECTION 200, IS AMENDED TO READ AS FOLLOWS
 31 [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 1. This chapter
 32 applies to the following:

- 33 (1) A city having a population of more than seventy-five thousand
- 34 (75,000) but less than ninety thousand (90,000).
- 35 (2) A city having a population of more than ~~ninety thousand~~
- 36 ~~(90,000) but less than one hundred ten thousand (110,000): one~~
- 37 **hundred five thousand (105,000) but less than one hundred**
- 38 **twenty thousand (120,000).**

(3) A city having a population of more than one hundred fifty thousand (150,000) but less than five hundred thousand (500,000).

(4) A city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000).

SECTION 17. IC 36-7-26-23, AS AMENDED BY P.L.291-2001, SECTION 202, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 23. (a) Before the first business day in October of each year, the board shall require the department to calculate the net increment for the preceding state fiscal year. The department shall transmit to the board a statement as to the net increment in sufficient time to permit the board to review the calculation and permit the transfers required by this section to be made on a timely basis.

(b) There is established a sales tax increment financing fund to be administered by the treasurer of state. The fund is comprised of two (2) accounts called the net increment account and the credit account.

(c) On the first business day in October of each year, that portion of the net increment calculated under subsection (a) that is needed:

(1) to pay debt service on the bonds issued under section 24 of this chapter or to pay lease rentals under section 24 of this chapter; and

(2) to establish and maintain a debt service reserve established by the commission or by a lessor that provides local public improvements to the commission;

shall be transferred to and deposited in the fund and credited to the net increment account. Money credited to the net increment account is pledged to the purposes described in subdivisions (1) and (2), subject to the other provisions of this chapter.

(d) On the first business day of October in each year, the remainder of:

(1) eighty percent (80%) of the gross increment; minus

(2) the amount credited to the net increment account on the same date;

shall be transferred and credited to the credit account.

(e) The remainder of:

(1) the gross increment; minus

(2) the amounts credited to the net increment account and the credit account;

shall be deposited by the auditor of state as other gross retail and use taxes are deposited.

(f) A city described in section 1(2), 1(3), or 1(4) of this chapter may receive not more than fifty percent (50%) of the net increment each year. During the time a district exists in a city described in section ~~1(2)~~, 1(3) or 1(4) of this chapter, not more than a total of one million dollars (\$1,000,000) of net increment may be paid to the city described in section ~~1(2)~~, 1(3) or 1(4) of this chapter. **During each year that a district exists in a city described in section 1(2) of this chapter, not more than one million dollars (\$1,000,000) of net increment may be paid to the city described in section 1(2) of this chapter.**

(g) The auditor of state shall disburse all money in the fund that is credited to the net increment account to the commission in equal semiannual installments on November 30 and May 31 of each year.

SECTION 18. IC 36-7-26-24, AS AMENDED BY P.L.185-2001, SECTION 9, AND AS AMENDED BY P.L.291-2001, SECTION 203, IS AMENDED AND CORRECTED TO READ AS FOLLOWS [EFFECTIVE APRIL 1, 2002 (RETROACTIVE)]: Sec. 24. (a) The commission may issue bonds, payable in whole or in part, from money distributed from the fund to the commission, to finance a local public improvement under IC 36-7-14-25.1 or may make lease rental payments for a local public improvement under IC 36-7-14-25.2 and IC 36-7-14-25.3. The term of any bonds issued under this section may not exceed twenty (20) years, nor may the term of any lease agreement entered into under this section exceed twenty (20) years. The commission shall transmit to the board a transcript of the proceedings with respect to the issuance of the bonds or the execution and delivery of a lease agreement as contemplated by this section. The transcript must include a debt service or lease rental schedule setting forth all payments required in connection with the bonds or the lease rentals.

(b) On January 15 of each year, the commission shall remit to the treasurer of state the money disbursed from the fund that is credited to the net increment account that exceeds the amount needed to pay debt service or lease rentals and to establish and maintain a debt service reserve under this chapter in the prior year and before May 31 of that year. Amounts remitted under this subsection shall be deposited by the

1 auditor of state as other gross retail and use taxes are deposited.

2 (c) The commission in a city described in section 1(2) of this
3 chapter may ~~only~~ distribute money from the fund *only* for **the**
4 **following:**

5 (1) Road, interchange, and right-of-way improvements. ~~and for~~
6 **(2) Acquisition costs of a commercial retail facility and for**
7 real property acquisition costs in furtherance of the road,
8 interchange, and right-of-way improvements.

9 **(3) Demolition of commercial property and any related**
10 **expenses incurred before or after the demolition of the**
11 **commercial property.**

12 **(4) For physical improvements or alterations of property that**
13 **enhance the commercial viability of the district.**

14 (d) The commission in a city described in section 1(3) of this
15 chapter may distribute money from the fund only for the following
16 purposes:

17 (1) For road, interchange, and right-of-way improvements and for
18 real property acquisition costs in furtherance of the road,
19 interchange, and right-of-way improvements.

20 (2) For the demolition of commercial property and any related
21 expenses incurred before or after the demolition of the
22 commercial property.

23 (e) The commission in a city described in section 1(4) of this
24 chapter may distribute money from the fund only for the following
25 purposes:

26 (1) For:
27 (A) the acquisition, demolition, and renovation of property;
28 and
29 (B) site preparation and financing;
30 related to the development of housing in the district.

31 (2) For physical improvements or alterations of property that
32 enhance the commercial viability of the district."

33 Page 11, between lines 40 and 41, begin a new paragraph and insert:
34 "SECTION 20. [EFFECTIVE JANUARY 1, 2001
35 (RETROACTIVE)] **(a) This SECTION applies notwithstanding:**

36 **(1) IC 6-1.1-3-7.5;**
37 **(2) IC 6-1.1-10-31.1;**
38 **(3) IC 6-1.1-11;**

- 1 (4) 50 IAC 4.2-12-1;
- 2 (5) 50 IAC 16-3-2; and
- 3 (6) 50 IAC 16-4-1.

4 (b) For purposes of this SECTION, "taxpayer" means a
5 taxpayer that filed a personal property tax return under IC 6-1.1-3
6 for the March 1, 2001, assessment date:

- 7 (1) in a township having a population of more than
8 ninety-three thousand (93,000) but less than one hundred ten
9 thousand (110,000) located in a county containing a
10 consolidated city; and
- 11 (2) on which the taxpayer reported a total assessed value of
12 personal property of more than fifty-five million dollars
13 (\$55,000,000) and less than fifty-six million dollars
14 (\$56,000,000).

15 (c) A taxpayer may before January 1, 2003, file an amended
16 personal property tax return for the March 1, 2001, assessment
17 date.

18 (d) With respect to an amended personal property tax return
19 filed under subsection (c), a taxpayer is entitled to an exemption of
20 tangible personal property under IC 6-1.1-10-29, IC 6-1.1-10-29.3,
21 and IC 6-1.1-10-30 based on:

- 22 (1) the total cost of inventory reported on Schedule B of the
23 Form 103 filed as part of the amended personal property tax
24 return; and
- 25 (2) the ratio reported on the Form 103W filed as a part of the
26 taxpayer's return referred to in subsection (b).

27 (e) A taxpayer shall pay taxes first due and payable in 2002
28 based on the assessed value of personal property reported in the
29 amended personal property tax return filed under subsection (c).

- 1 **(f) This SECTION applies only to personal property taxes first**
- 2 **due and payable in 2002.**
- 3 **(g) This SECTION expires January 1, 2003."**
- 4 Renumber all SECTIONS consecutively.
 (Reference is to HB 1356 as introduced.)

and when so amended that said bill do pass.

Representative Bauer